

Umetco Minerals Corporation



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m/037/025

October 16, 2000

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
Minerals Reclamation Program
Mr. D. Wayne Hedberg, Permit Supervisor
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Re: **Section 2.2 Well, Deremo/Peterson Permit M370025**

Dear Mr. Hedberg:

The section 2.2 well is part of the Deremo/Peterson Mine permit, and is on property owned by Jim C. Butt. Umetco presently holds a lease with Mr. Butt on the property. The well is located approximately 850 feet North of the Southwest corner and 200 feet East of the Southwest corner of section 2, Township 33 South, Range 26 East, Salt Lake Base Meridian. Refer to the attached map.

The well was constructed from a 7 ft. diameter unlined ventilation raise. The raise was backfilled to approximately 75 ft, and plugged with a minimum of 5 feet of concrete. In Sept. of 1998 Umetco received authority from the Utah Division of Water Rights to temporarily divert water. Water was diverted to assist in the reclamation of the permitted area.

Attached is a letter from Mr. Butt to Umetco stating he wishes to take over ownership of the well. The post mine land use is ranching and farming, and he plans to use the water for livestock purposes.

The well is presently covered with a strong metal grating, and is surrounded by hazard fencing. It is in a remote area on private property and is not accessible to the general public.

Umetco requests that the well be removed from the permit and become the property of the landowner.

Sincerely,

Anthony S. Bates, P. E.
Mines Reclamation Manager

enclosures: Map
Letter from Mr. Butt

c: Jim Butt
Tony Gallegos, DOGM

RECEIVED

OCT 18 2000

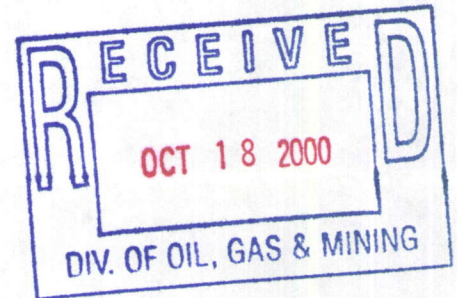
DIVISION OF
OIL, GAS AND MINING

m/037/025

Jim Butt
HC 63, Box 120
Monticello, Utah 84535

June 22, 2000

Mr. Frank Barnett
Umetco Minerals Corp.
P. O. Box 506
Dove Creek, CO 81324



Dear Mr. Barnett:

I am the landowner of the property on which the Deremo/Peterson section 2.2 well is located. I wish to take over ownership of the well and associated improvements, and have the well be removed from the mine permit. I plan to use the well to water livestock.

Sincerely,

Jim Butt
Jim Butt

